

## NATIONAL TRANSPORTATION SAFETY BOARD

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IN RE: :  
: :  
THE EL FARO INCIDENT OFF : NTSB Accident No.  
THE COAST OF THE BAHAMAS ON : DCA16MM001  
OCTOBER 1, 2015 :  
: :  
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Interview of: Mike Nicholson

Wednesday,  
December 2, 2015

Marriott Hotel  
Jacksonville, Florida

BEFORE:

CARRIE BELL, NTSB

This transcript was produced from audio  
provided by the National Transportation Safety Board.

APPEARANCES:On Behalf of the U.S. Coast Guard:

KEITH FAWCETT  
U.S. Coast Guard

On Behalf of TOTE Services:

LEE PETERSON  
Director, Marine Safety & Services  
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On Behalf of the Interviewee:

GIL FELTEL, ESQ., Tanner Bishop

OTHERS PRESENT:

MELISSA SERRIDGE, TOTE Services

P-R-O-C-E-E-D-I-N-G-S

(No time provided)

MS. BELL: This is Carrie Bell with the NTSB, the Human Performance Group Chairperson. Today is December 2nd. We are in the Residence Inn in Jacksonville, Florida, and we will be interviewing Mike Nicholson regarding the *El Faro* accident on October 1st.

We'll go through the mandatory briefing items. The purpose of this investigation is to increase safety, not to assign fault, blame or liability. NTSB is an independent agency, federal agency charged with determining the probable cause of transportation accidents and promoting transportation safety. And we're not a part of DOT or the U.S. Coast Guard.

We can't offer any guarantee of confidentiality or immunity from legal or license action.

A transcript or a summary of the interview will eventually go into the public docket, but we will get that interview transcribed and send a copy to you to review. And you'll review it before it goes into the public docket.

MR. NICHOLSON: Understood.

1 MS. BELL: You can have one representative  
2 of your choice, which you have. He can't testify for  
3 you and any comments that he provides should be limited  
4 to objections or any conversation you guys need to have  
5 regarding a question that we ask.

6 MR. NICHOLSON: Okay.

7 MS. BELL: If you have a question about  
8 anything that we ask, you can stop us and ask for  
9 clarification. If you need a break, let us know and  
10 we'll take a break.

11 Do you have any questions --

12 MR. NICHOLSON: Not yet.

13 MS. BELL: -- before we get started? So  
14 we'll go around the room and introduce everyone. I'm  
15 Carrie Bell, NTSB.

16 MS. SERRIDGE: Melissa Serridge, TOTE  
17 Services HR manager and I'm on the Human Performance  
18 Investigative Team.

19 MR. PETERSON: Lee Peterson. I'm the TOTE  
20 party coordinator.

21 MR. FAWCETT: My name is Keith Fawcett. I'm  
22 a Coast Guard civilian marine casualty investigator and  
23 I work with Carrie in the Human Performance Group. I'm  
24 a licensed Merchant Mariner. And also we have the  
25 Nautical Operations Group, which isn't represented here

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1 at the table, so I may ask those sort of related  
2 questions.

3 MR. NICHOLSON: Okay.

4 MR. FAWCETT: And would you be more  
5 comfortable if I sat over there so you didn't have to  
6 spin around? Are you good?

7 MR. NICHOLSON: Yes. Yes, I'm good.

8 MR. FAWCETT: Okay. Thank you.

9 MR. NICHOLSON: I'm Mike Nicholson, VP of  
10 Strategic Planning and Yield for TOTE Maritime.

11 MR. FELTEL: Gilbert Feltel, Tanner Bishop  
12 Law Firm here as Mr. Nicholson's representative.

13 MS. BELL: Thank you. And, Mr. Nicholson,  
14 can you spell your last name for me?

15 MR. NICHOLSON: N-I-C-H-O-L-S-O-N.

16 MS. BELL: And when anyone asks questions,  
17 when you interject or we go around the room, please  
18 identify yourself and what agency you are representing  
19 just for the transcriber.

20 MR. NICHOLSON: Okay.

21 MS. BELL: Okay. So we'll just get started.  
22 You are the VP of Strategic Planning and Yield. Can  
23 you go into detail about what that means?

24 MR. NICHOLSON: Sure. Basic  
25 responsibilities are commercial contracting or pricing

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1 and marketing, not necessarily advertising-type  
2 marketing, but analysis, data analysis marketing. I  
3 have a group of three people and myself, so four total.

4 MS. BELL: Okay. And can you give us a  
5 little bit about your background?

6 MR. NICHOLSON: Sure. I've been working in  
7 the transportation field for 30 years. First job out  
8 of college I was with U.S. Lines, a no longer operating  
9 company. But I went through their training program,  
10 worked for them for a couple years before they filed  
11 Chapter 11.

12 From there I went and worked for Aneera  
13 (phonetic), which was a Far East import conference.  
14 And they opened a New York office, which I helped do.  
15 I was only there for less than six months. Couldn't  
16 take the commute into the city, to be honest with you.

17 But from there I went to New Jersey and I  
18 worked for Crowley American Transport, which was an  
19 international -- the European service that they were  
20 operating at the time. I worked for Crowley for 13  
21 years. They're the company that transferred me to  
22 Florida. Ultimately I ended up working in their South  
23 American Division. I was always in the foreign trades  
24 at Crowley. They sold that division -- ships, the  
25 assets and infrastructure rights to Hamburg Süd.

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1 Although people weren't part of the sale, it was kind  
2 of like you either go or you may not have a job.

3 So I took the job at Hamburg Süd. Worked  
4 there for two years. They asked me to move to New  
5 Jersey, which I politely declined. And that's how I  
6 ended up at Sea Star. And I've been at SEA -- or TOTE  
7 now -- I started at Sea Star in July of 2002. In my  
8 current role I have -- I've been in the current role  
9 since January 2012.

10 MS. BELL: And when you started at Sea Star  
11 what was your position?

12 MR. NICHOLSON: I was a pricing manager for  
13 the Virgin Islands and the Dominican Republic. What  
14 had happened was Sea Star had acquired Navieras, which  
15 was the steamship line for the Government of Puerto  
16 Rico. And in doing that they acquired their  
17 international rights and I was brought in to work there  
18 and ultimately transitioned into the domestic market a  
19 few years in.

20 MS. BELL: So you've been in your current  
21 position since 2012?

22 MR. NICHOLSON: Correct.

23 MS. BELL: And you have three people who  
24 work for you?

25 MR. NICHOLSON: Correct.

1 MS. BELL: Okay. And who is your direct  
2 report?

3 MR. NICHOLSON: My supervisor? Tim Nolan.

4 MS. BELL: And so you said you do commercial  
5 contracting, pricing and data analysis marketing. You  
6 can go into a little bit of detail about what that  
7 means?

8 MR. NICHOLSON: Sure. Start with the  
9 marketing side. So we have to disclose to Customs  
10 what's unloaded on every ship. So we hire or we  
11 contract with a third party to monitor that. And we  
12 submit our data on a monthly basis and we get  
13 statistics on customer shipments based on manifests  
14 that have been submitted. The competing carriers do  
15 the same. So it's a neutral third part compiling the  
16 data and then we generate reports off of that based on  
17 customer logic or reefer cargo versus dry versus auto.

18 You know, we do all kinds of studies  
19 internal about where we are in the marketplace for  
20 southbound and northbound cargos moving to the Virgin  
21 Islands and Puerto Rico. That's pretty much the  
22 marketing thing. It's a daily feed in the sense of  
23 we're always looking at what's being loaded, what's  
24 being booked, whether it makes it onto the ship or not.  
25 And then we submit those reports via our manifest to --

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1 the outfit is called Piers. They're based in New  
2 Jersey. P-I-E-R-S. It's not an acronym. That's the  
3 name of the company.

4 MS. BELL: Okay.

5 MR. NICHOLSON: And like you said, they  
6 compile for all three carriers that are left in the  
7 trade, that data. And we get monthly reports from them  
8 and then we break it down based on our business needs.

9 MS. BELL: You said all three carriers?

10 MR. NICHOLSON: Yes, the current competitors  
11 in the Puerto Rican market are Sea Star/TOTE, Crowley  
12 and Trailer Bridge.

13 MS. BELL: So --

14 MR. NICHOLSON: Those are the one with  
15 assets. There are plenty of other non-asset-holding,  
16 non-vessel-operating companies that are out customers  
17 as well as our competition, but they don't have any  
18 major investment in the market.

19 MS. BELL: Okay. So Piers is the third  
20 party company who does all of this? Do they do the  
21 statistics? They take all the information --

22 MR. NICHOLSON: Yes, right, and --

23 MS. BELL: -- and give that to you. On a  
24 daily basis?

25 MR. NICHOLSON: No, monthly.

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1 MS. BELL: Monthly? Monthly. So how do  
2 they do that? Do they come in? Is there someone  
3 actually on the ship that does that --

4 MR. NICHOLSON: No.

5 MS. BELL: -- that comes in or --

6 MR. NICHOLSON: It's strictly --

7 MS. BELL: -- they just take the --

8 MR. NICHOLSON: -- it's strictly the  
9 interchanges. You know, we send them the information  
10 electronically, they compile it based on what all three  
11 carriers submit. They submit a -- a preliminary report  
12 which we look at to make sure our data and input is  
13 captured correctly. We verify it. And then once they  
14 get verification from all the -- the -- and this is not  
15 unique to the Puerto Rican market. They do this on a  
16 global basis.

17 MS. BELL: Yes.

18 MR. NICHOLSON: So once all the carriers  
19 confirm that their information is accurate, they  
20 release the report. And it happens on a monthly basis.

21 MS. BELL: Okay.

22 MR. NICHOLSON: And they're about -- we just  
23 got September data this week, so they're about three  
24 months behind, two-and-a-half, three months behind.

25 MS. BELL: Okay. So do you actually get to

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1 see the data from all three carriers, or just the Sea  
2 Star Line?

3 MR. NICHOLSON: We -- we see what --  
4 whatever is captured like on a bill of lading and/or a  
5 manifest is what we can see. So we can see the shipper  
6 name, the consignee name, the equipment size, type, the  
7 commodity, port pairs or inland points, if there's  
8 intermodal movement, and the volume, how many. And  
9 then from there you can generate statistics as, you  
10 know, percentages and market share and things of that  
11 nature.

12 MS. BELL: Okay. So I don't really  
13 understand the market myself. I apologize if I'm  
14 asking questions that should seem simple. But, so  
15 Crowley and Trailer Bridge -- is that the other one --

16 MR. NICHOLSON: Correct.

17 MS. BELL: -- are they competition?

18 MR. NICHOLSON: Correct.

19 MS. BELL: So you get their information,  
20 too, and you can sort of see where you stand among the  
21 competition?

22 MR. NICHOLSON: Yes.

23 MS. BELL: Is that right? Okay. Thank you.

24 MR. NICHOLSON: No problem.

25 MS. BELL: So can you tell us a little bit

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1 about your day to day? What do you do day to day --  
2 activities?

3 MR. NICHOLSON: So we have an -- Puerto Rico  
4 is a mature market in the sense that there's not a lot  
5 of new business. So we have existing relationships on  
6 a contractual basis with approximately 350 different  
7 customers. So we maintain that relationship by -- you  
8 know, you we have a contract that's in effect. The  
9 terms vary, duration varies. It could be a six-month  
10 contract, a two-week contract, a five-year contract.  
11 They're -- they're all over the map. There's no  
12 pattern there.

13 And those customers routinely will ask for  
14 new lanes to be included, or a quote for a new lane to  
15 be included. So you have to -- because it's a mature  
16 market, your -- your objective is not to let one  
17 customer steal from another and then you end up  
18 carrying the same cargo at a lower price. So you got  
19 to balance the request with what you're already  
20 handling and what relationships you have with other  
21 customers that they could be getting it from.

22 There's a lot of customers that don't own  
23 the cargo. They're 3PLs, third party logistics firms.  
24 So they're acting on behalf of a -- a beneficial cargo  
25 owner. But they have the ability to ship air freight

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1 and/or barge and/or on us, and they generally have  
2 relationships with everybody that's out there. So you  
3 want to make sure that you're not shifting from one 3PL  
4 to another by giving somebody a lower price.

5           So you got to make -- based on what we have,  
6 we have a -- a system where we enter all our  
7 contractual rates. And then, you know, it's  
8 searchable, so -- you know, the fields are all  
9 searchable so we can look to see if somebody's moving a  
10 reefer from Chicago. We can see everybody that's  
11 moving a reefer from Chicago and make a price decision  
12 using that information to educate ourselves, so to  
13 speak.

14           MS. BELL: Yes.

15           MR. NICHOLSON: Am I making myself clear?

16           MS. BELL: Yes.

17           MR. NICHOLSON: Okay.

18           MS. BELL: Sounds complex.

19           MR. NICHOLSON: So we do that every day.

20 And then what few customers that we may not have direct  
21 relationships with, you know, if they have an inquiry,  
22 whether it be for a one-off or a potential contract,  
23 we're -- we're doing bids. I -- I just did a bid  
24 before Thanksgiving for Kraft and the day after  
25 Thanksgiving we were told we weren't going to make it

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1 for round two. I'm working on a bid for Whirlpool  
2 right now and also for McDonald's. So there's all of  
3 those things coming through. Some days it's very slow  
4 and some times it's over before you even know it hit  
5 you.

6 MS. BELL: Yes.

7 MR. NICHOLSON: You know, so it's all over  
8 the map. We interface with a lot of the departments:  
9 customer service, booking, equipment, intermodal. So  
10 it's not mundane where we're doing the same thing day  
11 in and day out.

12 MS. BELL: Yes.

13 MR. NICHOLSON: Every day presents a  
14 different challenge.

15 MS. BELL: Yes. So you said you have about  
16 350 customers. Define --

17 MR. NICHOLSON: Contract --

18 MS. BELL: Or contracts.

19 MR. NICHOLSON: Contract customers, yes.

20 MS. BELL: Okay.

21 MR. NICHOLSON: There's a lot more customers  
22 than that, but they're not under contract.

23 MS. BELL: Okay. Got it.

24 MR. NICHOLSON: Okay?

25 MS. BELL: Got it. So you do have customers

1 that don't fall under any kind of a contract?

2 MR. NICHOLSON: Correct.

3 MS. BELL: Okay. So are you involved  
4 directly with the contract writing or any of that?

5 MR. NICHOLSON: We have a standard  
6 boilerplate that was provided by legal counsel years  
7 ago that we use. Of course that's not 100 percent.  
8 There are customers that have their own legal team and  
9 therefore have their own document.

10 MS. BELL: Yes.

11 MR. NICHOLSON: So that happens 15 percent  
12 of the time, maybe. That's a ballpark. And we'll --  
13 we would take their document and we'll review it. And  
14 some of the things, after having so many years  
15 experience I know what the response is going to be, but  
16 sometimes we need to consult with legal. And then once  
17 we formulate the -- a redline document to revert to the  
18 customer's request, the negotiation is on at that point  
19 and we give and take on terms and conditions. You  
20 know, things that are negotiated -- payment terms. For  
21 instance, like customers want to pay you in 120 days  
22 and we want to get paid in 30. That's an example.

23 MS. BELL: Yes.

24 MR. NICHOLSON: Equipment sizes and -- and  
25 locations. They want to pick up a container in

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1 Atlanta, but we don't have a depot in Atlanta. Those  
2 kind of things.

3 MS. BELL: Yes.

4 MR. NICHOLSON: So those are things that we  
5 work through. But I would say there's no shipper  
6 boilerplate that's, you know, not realistic or what is  
7 it, un -- what's the word? Like burdensome. Burdened.  
8 It's not burdensome.

9 MS. BELL: Okay.

10 MR. NICHOLSON: Okay?

11 MS. BELL: Okay. Let's see. You have a  
12 number of contracts, it sounds like. So do you have a  
13 few that are just your top -- every time you ship  
14 they're always on there? I mean --

15 MR. NICHOLSON: So --

16 MS. BELL: -- they're regular --

17 MR. NICHOLSON: So the way we divvy up the  
18 work between the four of us is we all have a book of  
19 business. And certain accounts are assigned to certain  
20 a individual within the group.

21 MS. BELL: Yes.

22 MR. NICHOLSON: I tend to get the larger  
23 accounts, not necessarily meaning that volume-wise, but  
24 revenue-wise. You know, the accounts mean most to us.  
25 Big names. The top five contracts that I gave you, the

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1 only one that's not mine is the military. And then I  
2 don't know if I -- I didn't give it to you personally.  
3 I gave it to Melissa -- Krysten (phonetic) to Melissa  
4 to -- and through the chain, I guess.

5 MS. BELL: Yes.

6 MR. NICHOLSON: But I -- four out of those  
7 five I deal with --

8 MS. BELL: Okay.

9 MR. NICHOLSON: -- directly. And then so  
10 you get a consistency when you have the same person  
11 answering or fielding the request from the same  
12 customer every time.

13 MS. BELL: Yes.

14 MR. NICHOLSON: And the books of business  
15 tend to be divvied up. So like the pharmaceutical  
16 accounts kind of stay together, the car accounts stay  
17 together so that you don't have a lot of unknowns or  
18 trying to having to check with somebody else to make  
19 sure that you're not about to step on your own foot.

20 MS. BELL: Yes. Okay. So you mentioned  
21 customer service booking. So are you involved with  
22 scheduling at all?

23 MR. NICHOLSON: No.

24 MS. BELL: Okay. While I'm thinking does  
25 anyone have any questions?

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1 MR. FAWCETT: This is Keith Fawcett.

2 MR. NICHOLSON: Okay.

3 MR. FAWCETT: You mean in general or --

4 MS. BELL: Well, just, yes, in general. I'm  
5 just trying to read my notes here.

6 So on the contracts that you have, is it all  
7 the ships that TOTE owns that you are working with?

8 MR. NICHOLSON: No, just the -- the ships in  
9 the -- deployed in the Puerto Rican market.

10 MS. BELL: Okay. Just the Puerto Rican  
11 market?

12 MR. NICHOLSON: Yes.

13 MS. BELL: Okay. And so I was talking  
14 earlier with Lee about -- Horizon went out of business.  
15 And I'm assuming when a company goes out of business  
16 and is no longer assisting with cargo, then that adds  
17 more work load, more opportunity for you to get more  
18 contracts, do more with various contracts. Would you  
19 say in the last year or two business has picked up a  
20 lot?

21 MR. NICHOLSON: Yes.

22 MS. BELL: And I guess I should frame that.  
23 A percentage. What percentage would you say that  
24 business has increased since then?

25 MR. NICHOLSON: Ironically northbound our

1 business has shrunk, and that tends to be due to price.  
2 We're not price-competitive and we acknowledge that.  
3 Southbound our market share has grown 10 points, 10  
4 percent.

5 MS. BELL: In the last -- how long?

6 MR. NICHOLSON: It's going to be what, two  
7 years in -- that they went out in December?

8 PARTICIPANT: Has it been that long?

9 MR. NICHOLSON: I think '13, right?

10 PARTICIPANT: Yes.

11 MR. NICHOLSON: They went out of business in  
12 December of '13, so -- so in two years.

13 MS. BELL: Okay. Have you had to increase  
14 your personnel because of that?

15 MR. NICHOLSON: In fact the opposite has  
16 occurred in my group. I went from five-and-a-half  
17 people, because I had a part-timer, to four. So no.

18 MS. BELL: Okay. What about work load?

19 MR. NICHOLSON: It's -- it's steady. It's  
20 steady work. And we try to keep it balanced in the  
21 sense of evenly distributed so that no one of -- no one  
22 of us is under the weather all the time.

23 MS. BELL: Okay. So let's talk a little bit  
24 about contracts. I know you're not involved with  
25 scheduling, but in terms of getting cargo there on

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1 time, are there any kind of -- let's talk about the top  
2 five contracts you have. Are there any kind of  
3 guarantees in terms of scheduling or anything in your  
4 contracts that talk about what happens if a shipment is  
5 not on time?

6 MR. NICHOLSON: Uniformly we don't address  
7 that as far as the commitment from us. Basically the  
8 relationship is the customer commits a certain volume  
9 to get a certain rate, but all the other peripheral  
10 things are not addressed written -- written in the  
11 contract. So service guarantees, for instance, like an  
12 odd time -- you'll be here every 5 days or every 10  
13 days. There's nothing like that in our contract.

14 MS. BELL: So they don't know -- I mean --

15 MR. NICHOLSON: Well, they know from the  
16 schedule, but we don't put the schedule in the  
17 contract.

18 MS. BELL: Okay. So that doesn't affect the  
19 contract at all if things are not delivered on time?  
20 The customer may not be happy if things are late, so  
21 what happens in a case like that and how that affects  
22 the contract? Is there nothing in writing that  
23 addresses that?

24 MR. NICHOLSON: They're -- to address their  
25 unhappiness? No. If they're unhappy, it is up to the

1 sales guy to placate that. So there's no penalty per  
2 se.

3 MS. BELL: There is no penalty?

4 MR. NICHOLSON: No.

5 MS. BELL: I'm assuming in the contract  
6 there's some kind of stipulation for if they decide to  
7 get out of the contract because they are unhappy about  
8 something.

9 MR. NICHOLSON: Not -- not directly. You  
10 know, no one -- or very few customers commit 100  
11 percent of what they have. So they don't -- most --  
12 the -- the mentality of most is that they don't want to  
13 put all their eggs in one basket. So they want to keep  
14 a relationship with at least one of the other two, only  
15 to -- if something happens falling-out-wise. You know,  
16 it doesn't necessarily have to be related to service.  
17 It could be we can't agree on a price in a year. They  
18 don't want to start a new relationship with one of the  
19 other competitors. They want to be able to call that  
20 competitor up and say so and so's giving me a hard  
21 time. What can you do for me? You have a lot better  
22 chance of success if you don't -- if you have an  
23 existing relationship. So there's very few customers  
24 that dedicate 100 percent. So there's no need to  
25 address that, what you ask for in -- in a contractual

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1 setting.

2 MS. BELL: Okay. Who do you work with  
3 outside of your department on a regular basis?

4 MR. NICHOLSON: In the corporate?

5 MS. BELL: Yes.

6 MR. NICHOLSON: Obviously the sales guys.  
7 The finance people in the sense of corrections, bill  
8 corrections or invoice corrections. I deal with the  
9 Fleet Management Group, which is where the equipment is  
10 and where we need it, where we can match it.  
11 Size/types, how we can move it: rail or truck,  
12 etcetera, etcetera. So intermodal from that  
13 perspective, getting costs for inland points. You  
14 know, we -- I have a relationship with IT people, only  
15 because we need them to generate some of our reports.

16 MS. BELL: Yes.

17 MR. NICHOLSON: You know, so we touch back  
18 with a lot of them. I don't really deal or go to the  
19 terminal too often. So the interaction with them is  
20 kind of like stowage requirements. So if we get a big  
21 crate of something, or a boat, or something to that  
22 effect, we'll -- we'll send an email off to Marine Ops  
23 and ask them for displacement and handling costs, which  
24 we will then use to build our quote. But that is about  
25 the extent of our interaction with the people at the

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1 terminal.

2 MS. BELL: Okay. You have anything?

3 MR. FAWCETT: Yes.

4 MS. BELL: Go ahead.

5 MR. FAWCETT: Keith Fawcett with the Coast  
6 Guard. So who are the sales guys?

7 MR. NICHOLSON: Who are they?

8 MR. FAWCETT: Yes, I mean, you mentioned  
9 that the sales guys are the people that placate the  
10 customers.

11 MR. NICHOLSON: Okay. So --

12 MR. FAWCETT: Within the organization who  
13 would they be?

14 MR. NICHOLSON: There's two sets, two  
15 groups. One in -- based in Puerto Rico and one based  
16 in the U.S. In the corporate environment Bill Taylor  
17 (phonetic) is the vice president of that group. He has  
18 two managers working under him who have staff -- or  
19 three managers working under him who each have staff.  
20 One's based in New Jersey, two here in Jacksonville.  
21 In Puerto Rico there's a handful of people. They all  
22 report up to Eduardo Pahgan (phonetic), who's the VP  
23 for the Caribbean, if you will, Puerto Rico, the island  
24 manager, however you want to refer to him. And they  
25 all report to him. There's two managers and then the

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1 sales people report up through that to Eduardo.

2 MR. FAWCETT: Okay. So to try to understand  
3 the scope of what you do, say there's a yacht that's  
4 built in Mobile, Alabama --

5 MR. NICHOLSON: Yes.

6 MR. FAWCETT: -- and for some reason they  
7 want to bring it to the Port of Jacksonville to be  
8 loaded on one of your ships and then moved down to  
9 Puerto Rico, hypothetically. Do you engage like rail  
10 transportation or vehicular transportation to bring  
11 that yacht to the Port of Jacksonville to be loaded on  
12 the ship? Do you do the whole thing?

13 MR. NICHOLSON: We can if it's over-the-  
14 road- capable. You know --

15 MR. FAWCETT: (Inaudible). Right.

16 (Simultaneous speaking)

17 MR. NICHOLSON: -- (inaudible) not going to  
18 be able to. But, so other NIC-type cargo, non-  
19 containerized cargo, we can make arrangements to do a  
20 door pickup in the U.S., but we do not do door  
21 deliveries in Puerto Rico.

22 MR. FAWCETT: So how intimately are you  
23 involved with like TSI operations, TOTE Services and  
24 TOTE Maritime? In other words, do you attend meetings  
25 with management like the Management Group of TOTE

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1 Maritime?

2 MR. NICHOLSON: I do not. You're talking  
3 about the parent companies, right? So TSI and TOTE  
4 Maritime report to TOTE, Inc.

5 MR. FAWCETT: Correct.

6 MR. NICHOLSON: Okay. So, yes, I do not  
7 attend the TOTE, Inc. management meetings.

8 MR. FAWCETT: So you attend like corporate  
9 or management meetings at what level?

10 MR. NICHOLSON: Just the internal TOTE  
11 Maritime Puerto Rico.

12 MR. FAWCETT: Okay. Because the thing that  
13 I'm confused about, which I don't quite understand, is  
14 the strategic planning description in yield. Can you  
15 explain what you mean there?

16 MR. NICHOLSON: So the -- the -- the title  
17 is what it is.

18 MR. FAWCETT: Yes, I get it.

19 MR. NICHOLSON: I didn't make up the title,  
20 right?

21 (Laughter)

22 MR. FAWCETT: And I know there's a lot of  
23 flux going on, that titles don't match business cards.  
24 I understand that.

25 MR. NICHOLSON: So the -- the planning part

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1 of it is -- is we try to -- like we're -- we have a  
2 tough time Nordicom (phonetic). I'm going to use it as  
3 an example. We know we're not price-competitive. We  
4 have a different philosophy in the marketplace,  
5 therefore we're not able to improve our market share.  
6 That's a conscientious decision that we've made that  
7 we're not going to do things for less than cost or at a  
8 loss. Some competitors think that moving a box to  
9 Atlanta for \$500 is a good thing, but that doesn't  
10 cover the trucking. So we shy away from that kind of  
11 stuff. That's an example.

12           So planning is we watch the customers and  
13 their trends. So if we do business with ABC Company  
14 and we have 10 weeks or 25 weeks and then week 26 we  
15 only get 2 and week 27 we only get 1, we contact the  
16 sales guy and say, hey, what's going on with ABC  
17 Company? You know, and it could be they're on a  
18 shutdown or they're -- something happened. But we go  
19 to the sales guy. The sales guy will then give us  
20 feedback as to what's going on. So we kind of monitor  
21 the market and we look for trends.

22           As far as the yield part goes, we have an  
23 internal system which is called CASH (phonetic). And  
24 we can see customer movements. Do they generate  
25 profitability? So, you know, it -- it encompasses

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1 everything. How long the container is out on the  
2 street, how much we pay for that particular container,  
3 whether it's owned or leased, how much inland, how much  
4 it is to lift it on the vessel, on and off, and all  
5 these little components. And then we can -- we can  
6 review if a particular move is profitable or not. If  
7 not, the -- the objective from my group is to improve  
8 that rate or not contract it in the future. You know,  
9 let it be handled by somebody else.

10 MR. FAWCETT: In some of my research I came  
11 across the Sea Star blog which talked about cargo  
12 delays, notify shippers that this particular -- they'll  
13 say void south 135 will be delayed by two hours due to  
14 this or that.

15 MR. NICHOLSON: Right.

16 MR. FAWCETT: You know who manages that?

17 MR. NICHOLSON: Currently it's done through  
18 Alyse's group, which I --

19 MR. FAWCETT: And --

20 MR. NICHOLSON: Alyse. A-L-Y-S-E.

21 MR. FAWCETT: Right. Her last name is --

22 MR. NICHOLSON: Lisk.

23 MR. FAWCETT: Right.

24 MR. NICHOLSON: Yes. She's coming in this  
25 afternoon, as I understand it.

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1 MR. FAWCETT: And there's also a Twitter  
2 feed. Is that her also?

3 MR. NICHOLSON: Yes. All those  
4 communications to the marketplace is generated from her  
5 group.

6 MR. FAWCETT: Okay. So just to help me  
7 understand, when we left Jacksonville long ago, we  
8 looked at TOTE Services and we didn't realize the real  
9 connection with TOTE Maritime Puerto Rico. So I mean  
10 TOTE Services crews the ship and provides the ship.  
11 You all put the cargo on it and move it. So  
12 understanding that, who would be the person within your  
13 company that would notify -- because I looked over your  
14 contracts, and I'm not a business guy, but the ones you  
15 provided. But who would notify say Costco, a major  
16 customer that the cargo was going to be substantially  
17 delayed? Who would be the interactor? You mentioned  
18 customer service. I don't know (inaudible).

19 (Simultaneous speaking)

20 MR. NICHOLSON: No. Well, ideally the sales  
21 people would be the first to contact the customer  
22 and/or follow up to a communication where they would  
23 have gotten a -- a blast, if you will. We have the  
24 ability to blast the communication. You're talking  
25 about delays, so if there's a delay that's with --

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1 outside the normal scope of a, you know, operation  
2 where it's going to be customers need to know because  
3 it's going to affect their operation, they get a blast,  
4 which means if they've registered their email address  
5 in our system. No big deal.

6 And so the sales guy would -- or woman would  
7 follow up to that communication. Very rarely is it  
8 coming through customer service where the customer  
9 would be contacting customer service. Customer service  
10 is a call center, but they don't reach out to customers  
11 for that purpose. They more intake inbound calls.

12 MR. FAWCETT: Typically if you look at the  
13 track of the ship, it runs back and forth, back and  
14 forth to San Juan --

15 MR. NICHOLSON: Okay.

16 MR. FAWCETT: -- along generally the same  
17 route.

18 MR. NICHOLSON: Yes.

19 MR. FAWCETT: In late August there was a  
20 deviation where they came down through the Straits of  
21 Florida and then came across Old Bahama Channel into  
22 San Juan, and it was a longer trip. Also at the same  
23 time the Port of San Juan was closed. Were you aware  
24 of any discussions about the ramifications of the  
25 longer voyage and how it impacted your customers or

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1 your schedule?

2 MR. NICHOLSON: No. We're talking about a  
3 vessel?

4 MR. FAWCETT: The *El Faro*.

5 MR. NICHOLSON: Okay. No.

6 MR. FAWCETT: Okay. This might be a little  
7 sensitive, but what were the ramifications within the  
8 company of notifying the customers, the people that  
9 were having cargo shipped, like Walmart, Costco and so  
10 forth, about the potential loss of their cargo?

11 MR. NICHOLSON: I wasn't directly involved  
12 in that. And in fact, I was out of the office for a  
13 few of those days. I was out of town, personal. But  
14 it didn't -- the process to my recollection didn't  
15 start -- I mean, we were aware of there was an issue on  
16 Thursday. There were internal meetings on Friday. The  
17 Coast Guard had still -- at that point were still  
18 optimistic, for lack of a better word.

19 And over the weekend, Sunday afternoon I  
20 think is when people started to realize that the  
21 situation was not good. And then that following week  
22 was when I was out. So I was not part of the  
23 communication process as far as notifying customers.  
24 But typically sales guys would have been tasked with  
25 contacting those customers. You know, for the two days

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1 customers were aware that there was a situation.

2 MR. FAWCETT: Yes.

3 MR. NICHOLSON: And -- and there was a lot  
4 of speculation from them. You -- you named Walmart.  
5 Walmart went out with an internal communication to all  
6 their clubs and Sam's Clubs and said that the -- they  
7 found the ship. The guy was way out of line, right?  
8 So that is an example of some speculation that was  
9 going on.

10 MR. FAWCETT: And you had mentioned the barge  
11 service that TOTE had picked up to help move cargo  
12 because of the surge of cargo. Can you talk about what  
13 company operates that equipment and so forth? The tugs  
14 and the barges. Do you own them?

15 MR. NICHOLSON: No, we don't own them, but  
16 we sign a charter, short-term charter from best of my  
17 knowledge. I'm not directly involved in that  
18 negotiation. But the three -- I'm talking out of  
19 school. I think three of them are the same owner and  
20 the fourth one is different.

21 PARTICIPANT: I'm not sure either.

22 MR. NICHOLSON: I don't know.

23 MR. FAWCETT: Do you know who they are?

24 MR. NICHOLSON: I don't. I know the names  
25 of the units, but I don't know who owns them.

1 MR. FAWCETT: You mean the vessels?

2 MR. NICHOLSON: Yes, *Columbia, Charleston,*  
3 *Baltimore, Elizabeth* and the *Chesapeake Trader*.

4 MR. FAWCETT: And do you know their  
5 schedule --

6 MR. NICHOLSON: No.

7 MR. FAWCETT: -- generally? I don't mean  
8 each one of them, but what kind of service do they  
9 provide to the customer?

10 MR. NICHOLSON: Well, the transit time is a  
11 little bit longer, so you're talking about instead of  
12 turning it against the same week, it's every other  
13 week. So, you know, six-day transit, seven -- six to  
14 seven-day transit depending on the -- on the weather  
15 conditions. We had some issues with the equipment  
16 itself with like chains breaking or not -- with the  
17 bridles breaking, things of that nature or deck  
18 supports needed to be reinforced. So the schedule is  
19 -- ideally is we would like demand let's just say  
20 Mondays and Thursdays. It didn't turn out to be that  
21 way because of all these other issues.

22 MR. FAWCETT: Okay. So for clarification,  
23 when you say "bridle," you're talking about the towing  
24 bridle --

25 MR. NICHOLSON: Yes.

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1 MR. FAWCETT: -- off the bow of the barge?

2 MR. NICHOLSON: Yes.

3 MR. FAWCETT: And deck supports you're  
4 talking about to secure cargo?

5 MR. NICHOLSON: Honestly, I don't know  
6 because I didn't see it, but that's, you know, what I  
7 heard was deck supports. The weight -- weight  
8 restrictions.

9 MR. FAWCETT: And then just so I can  
10 understand, who was responsible for the tug and barge  
11 service within TOTE? I know they're a company that's  
12 short-term contracted, like you mentioned, but who's  
13 that person that administers that contract  
14 operationally?

15 MR. NICHOLSON: I would think that would  
16 fall to Jim Wagstaff (phonetic).

17 MS. BELL: Who's he?

18 MR. NICHOLSON: VP of Ops.

19 MR. FAWCETT: And you may not know the  
20 answer, but I don't know who else to ask, so I'm going  
21 to ask you. But how does he know that they're doing  
22 the business that you expect them to be, meaning  
23 operationally? You mentioned towing bridle break. Did  
24 it break because -- and you don't know the answer to  
25 this, I'm sure, but were they towing too fast, were

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1 they towing too slow? In other words, who looks out  
2 for their nautical operations?

3 MR. NICHOLSON: I don't know.

4 MR. FAWCETT: And I'm not sure I asked you  
5 this before, but that August voyage where they came  
6 down on a different route, do you know there were any  
7 financial implications that resulted from that for the  
8 company?

9 MR. NICHOLSON: Other than maybe burning  
10 more fuel, I'm not aware of anything.

11 MR. FAWCETT: And then you mentioned in a  
12 conversation the term "fleet manager." What do you  
13 mean by that?

14 MR. NICHOLSON: The Fleet Group or Fleet  
15 Management is asset management, so the different sizes  
16 of equipment types and, you know, where they're  
17 located, what kind of condition they're in.

18 MR. FAWCETT: Right, but as that relates to  
19 TOTE Maritime would the fleet be the *El Faro*, the *El*  
20 *Yunque*?

21 MR. NICHOLSON: No, no, no. This is  
22 strictly equipment in the sense of 20s, 40s, 45s --

23 MR. FAWCETT: Okay. Containers --

24 MR. NICHOLSON: -- reefers.

25 MR. FAWCETT: -- or shipping equipment?

1 MR. NICHOLSON: Correct. Correct.

2 MR. FAWCETT: See if I had anything else for  
3 you, sir.

4 So do you have any interaction with  
5 Saltchuk?

6 MR. NICHOLSON: Other than, you know, the  
7 annual review or quarterly meeting, no.

8 MR. FAWCETT: And the quarterly meeting, can  
9 you describe that?

10 MR. NICHOLSON: It's a review of company-  
11 wide TOTE Maritime Puerto Rico. All departments make a  
12 presentation regarding what they've done or what  
13 they've encountered during the year and what they see  
14 in the future.

15 MR. FAWCETT: Okay. So you said this is  
16 annual or quarterly?

17 MR. NICHOLSON: The quarterly for us, TOTE  
18 Maritime Puerto Rico.

19 MR. FAWCETT: Okay. And then have you  
20 participated like in the last annual meeting with  
21 Saltchuk?

22 MR. NICHOLSON: No.

23 MR. FAWCETT: Do you know who the  
24 representative is for Saltchuk who attends those  
25 meetings, or representatives that attend the meeting

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1 representing Saltchuk?

2 MR. NICHOLSON: It would be the chairman or  
3 the president, which is Tim Engle (phonetic) or Mark  
4 Tavit (phonetic).

5 MR. FAWCETT: And that occurs here? They  
6 come down here or everybody goes up there?

7 MR. NICHOLSON: No, it -- it -- they move  
8 around.

9 MR. FAWCETT: Okay. And is it your  
10 understanding that like most of the entities involved  
11 with Saltchuk are at this meeting, or is it directly  
12 just Saltchuk with TOTE Maritime?

13 MR. NICHOLSON: No, it's all the Saltchuk  
14 operating (inaudible).

15 MR. FAWCETT: Okay. So it's just a general  
16 operating meeting?

17 MR. NICHOLSON: Yes.

18 MR. FAWCETT: Thank you, Mike.

19 MR. NICHOLSON: Is this it?

20 MR. FAWCETT: Not necessarily, but --

21 (Laughter)

22 MR. FAWCETT: -- Ms. Bell may have some  
23 questions.

24 MS. BELL: I've just got a couple more  
25 questions.

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1 MR. NICHOLSON: Sure.

2 MS. BELL: Carrie Bell, NTSB. So just to  
3 clarify what we had talked about earlier about the  
4 contractual obligations, just I want to clarify. So  
5 there are no contractual obligations for failing to  
6 deliver on time?

7 MR. NICHOLSON: Correct.

8 MS. BELL: Okay. And you mentioned that  
9 business had increased about 10 percent over the last  
10 two years. So --

11 MR. NICHOLSON: Southbound.

12 MS. BELL: Southbound?

13 MR. NICHOLSON: Yes.

14 MS. BELL: Okay. And would you say that  
15 based on your data from the third party Piers that  
16 cargo on each transit has increased?

17 MR. NICHOLSON: I'm not sure I follow.

18 MS. BELL: So the cargo that is on each of  
19 the ships, would you say that based on the increase in  
20 business that the cargo has increased as well on those  
21 --

22 MR. NICHOLSON: Utilization you're talking  
23 about?

24 MS. BELL: I don't know. Utilization --

25 MR. NICHOLSON: So you're talking about the

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1 units on a particular voyage?

2 MS. BELL: Correct.

3 MR. NICHOLSON: Yes.

4 MS. BELL: So they have increased?

5 MR. NICHOLSON: Across the board over the  
6 course of a year? Yes.

7 MS. BELL: Okay. And do you ever get any  
8 feedback related to there's too much cargo, we can't  
9 put it all on the ship, we're going to have to save it  
10 for the next transit southbound?

11 MR. NICHOLSON: Feedback in what regard?

12 MS. BELL: Okay. So I don't know what the  
13 flow is from the terminal, but if you have set so and  
14 such and such amount of cargo to be sent and you're  
15 expecting it to be delivered on whatever day, if the  
16 ship is loaded and there's not enough room for  
17 everything, do you ever get any notification that not  
18 everything got to be delivered?

19 MR. NICHOLSON: No, we get -- we get a recap  
20 of what was loaded, but not by customer. So I -- I  
21 know that the ship last night went out with 590 loads,  
22 but I don't know who made it and who didn't. And my  
23 group doesn't get that information.

24 MS. BELL: Okay. So if a ship is late  
25 delivering cargo, do you get notified by someone

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1 specifically?

2 MR. NICHOLSON: I see the email -- I'm on  
3 the email blast, so I get -- I get a copy of it from  
4 there.

5 MS. BELL: And do you notify anyone of that?

6 MR. NICHOLSON: Uh-uh.

7 MS. BELL: Okay.

8 MR. NICHOLSON: I guess verbal response.  
9 No. Sorry. I shook my head.

10 MS. BELL: Oh, that's fine. Thank you.  
11 Thank you.

12 (Laughter)

13 MS. BELL: I didn't even notice. In terms  
14 of the contractual obligations can you just kind of  
15 list what is in the contract, just anything that is  
16 related to scheduling delivery-type things?

17 MR. NICHOLSON: Typical terms are the  
18 duration, who the contracting parties are, any  
19 affiliates of those parties, the number of containers  
20 involved and the customers commitment to the carrier,  
21 the rates that were being proffered for those, the  
22 trade lanes involved. It will list the accessorial  
23 charges such as, you know, bunker, intermodal fuel,  
24 terminal handling, things of that nature. And so,  
25 there's a dollar amount associated with each one of

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1 those.

2           It includes our bill of lading, the contract  
3 does. So our full bill of lading is party -- part and  
4 parcel of the overall contract. It talks about payment  
5 terms. Generally it doesn't -- the standard  
6 boilerplate has some references to government  
7 regulations that we're not going to do this, that and  
8 the other thing, you know, in -- not obeying, but the  
9 word is "adhering" to government regs. So, you know,  
10 it -- it spells out that kind of stuff.

11           MS. BELL: Yes.

12           MR. NICHOLSON: There's no -- generally no  
13 service commitments in the sense of what you're  
14 alluding to or referring to, which is we're going to be  
15 there in 72 hours or we're going to be -- 100  
16 containers there by -- you know, every week, nothing  
17 like that. It's an overall annual commitment. Or if  
18 it's a multi-year, it could be a per annum commitment  
19 or a commitment for the whole period, but it doesn't  
20 break it down to any kind of particular voyage.

21           MS. BELL: Okay.

22           MR. FAWCETT: Keith Fawcett again, Coast  
23 Guard. That's a pretty impressive pedigree of shipping  
24 companies. Recognize a lot of those names. U.S.  
25 Lines, I used to see them on the Old North River.

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1 American Astronaut and all those ships. How is cargo  
2 prioritized? Because we've heard in our discussions  
3 that there's a priority.

4 MR. NICHOLSON: Being that I'm the  
5 financial, or the profitability guy, I would love to  
6 tell you it's by profit, but it's not. It's by  
7 customer relationship with the sales guy.

8 MR. FAWCETT: Okay. So there's no  
9 established benchmark, like what is priority?

10 MR. NICHOLSON: There are certain customers  
11 that have the word "priority" associated with them --

12 MR. FAWCETT: Yes.

13 MR. NICHOLSON: -- but it's not written into  
14 a contract anywhere. It's kind of an internal thing  
15 where we know that we have X number of spaces and we  
16 try to divvy it up and try to make everybody happy.  
17 And that's generally in a verbal agreement between the  
18 sales guy who creates the priority list; and I use  
19 "sales guy" in a general term, and the customers.

20 MR. FAWCETT: Is there any pull that the  
21 sales guy has? You know, it's this internal commitment  
22 for priority and all that. Is there any pull he has  
23 where he can pick up the phone and call the terminal?

24 MR. NICHOLSON: No, they don't have that  
25 direct rapport relationship. Everything is done in the

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1 corporate office.

2 MR. FAWCETT: Okay. And then we mentioned  
3 the contracts in general and you had specified that we  
4 don't have a schedule or delivery guarantee and so  
5 forth. Are you aware of any contracts that you've  
6 carried on *El Faro* or *El Yunque* that might have had  
7 schedule guarantees, specific cargo?

8 MR. NICHOLSON: It's not necessarily a  
9 guarantee. It's more like a -- a -- there's maybe a --  
10 a handful that it would say carrier will strive to  
11 provide two sailings a week, that type of thing. It  
12 doesn't necessarily say, you know, you will leave on  
13 Wednesday and be there on Saturday. Does that make  
14 sense?

15 MR. FAWCETT: Yes. Sure does. Do you know  
16 what those contracts might -- who they might be with  
17 off the top of your head?

18 MR. NICHOLSON: I would need to look into  
19 that.

20 MR. FAWCETT: And you could if we asked you  
21 to, right?

22 MR. NICHOLSON: Yes, and I -- I know that  
23 it's not in the top five that I've already provided.

24 MR. FAWCETT: Right. And that top five,  
25 those would be by volume or by dollar?

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1 MR. NICHOLSON: Dollar.

2 MR. FAWCETT: By dollar in terms of the value  
3 of goods carried or dollar in revenue you receive?

4 MR. NICHOLSON: Revenue received. Now the  
5 -- the value of the goods carried does not factor into  
6 the contract at all. It's -- it's the price set for  
7 moving a box from A to B.

8 MR. FAWCETT: Okay. So one of these  
9 contracts like the one where you said carrier will  
10 strive to have two sailings a week, could be somebody  
11 down the chain that --

12 MR. NICHOLSON: Small.

13 MR. FAWCETT: Smaller?

14 MR. NICHOLSON: Yes.

15 MR. FAWCETT: But they write a specific  
16 contract to meet a schedule, in general?

17 MR. NICHOLSON: It's -- that's not a typical  
18 clause in a standard boilerplate, so if we have that,  
19 it's in a customer boilerplate that -- and it -- and --  
20 and there's -- it's there, but there's no penalty if we  
21 don't meet that statement.

22 MR. FAWCETT: Okay. So your lawyers are  
23 going to look at it, they're lawyers are going --

24 MR. NICHOLSON: Right.

25 MR. FAWCETT: -- generate it and the whole

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1 bit and you're going to agree on it mutually?

2 MR. NICHOLSON: Correct.

3 MR. FAWCETT: Okay. Thank you.

4 MR. NICHOLSON: Okay.

5 MR. FAWCETT: That's all I have, Mike.

6 MS. BELL: That's all I have, too. Do you  
7 guys have any questions?

8 (No audible response)

9 MS. BELL: I think unless we have anything  
10 else --

11 MR. FAWCETT: No, I mean, I think it would  
12 be helpful if we knew who had those kind of unique  
13 contracts, but --

14 MS. BELL: I added that --

15 MR. FAWCETT: Yes.

16 MS. BELL: -- as a request that --

17 MR. FAWCETT: Right.

18 MS. BELL: -- we will request that  
19 information.

20 MR. NICHOLSON: Sure.

21 MS. BELL: Okay. We'll do that formally.

22 Okay. That will end our interview. Thank  
23 you very much for your time.

24 (Whereupon, the above-entitled matter went  
25 off the record.)

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C E R T I F I C A T E

MATTER: EL FARO INCIDENT OFF THE COAST  
OF THE BAHAMAS ON OCT. 1, 2015  
NTSB Accident No. DCA16MM001  
Interview of Mike Nicholson

DATE: 12-02-14

I hereby certify that the attached transcription of page 1 to 45 inclusive are to the best of my professional ability a true, accurate, and complete record of the above referenced proceedings as contained on the provided audio recording; further that I am neither counsel for, nor related to, nor employed by any of the parties to this action in which this proceeding has taken place; and further that I am not financially nor otherwise interested in the outcome of the action.



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TABLE OF CORRECTIONS TO TRANSCRIPT OF INTERVIEW FOR  
MIKE NICHOLSON  
TAKEN ON  
DECEMBER 2, 2015

| PAGE<br>NUMBER | LINE<br>NUMBER | CURRENT WORDING     | CORRECTED WORDING |
|----------------|----------------|---------------------|-------------------|
| 6              | 12             | Aneera (phonetic)   | ANERA             |
| 8              | 15             | part                | party             |
| 9              | 16             | out                 | our               |
| 17             | 2              | Krysten             | Kristin           |
| 23             | 22             | Pahgan              | Pagan             |
| 26             | 2              | Nordicom (phonetic) | northbound        |
| 27             | 13             | void                | voyage            |
| 36             | 4              | Tavit               | Tabbutt           |
|                |                |                     |                   |
|                |                |                     |                   |
|                |                |                     |                   |
|                |                |                     |                   |
|                |                |                     |                   |
|                |                |                     |                   |
|                |                |                     |                   |
|                |                |                     |                   |

Michael Nicholson

Printed Name of Person providing the above information



Signature of Person providing the above information

December 28, 2015

Date

December 28, 2015

Lee Peterson  
TOTE Services

SUBJECT: Supplement to witness interview of Mike Nicholson conducted on December 2, 2015

I am contacting you as the TOTE Services' Party Coordinator and Party Representatives in connection with the NTSB El Faro accident investigation, NTSB Accident No. DCA16MM001. Please forward this e-mail to the appropriate NTSB investigative Group Chairpersons.

Upon reviewing the transcript of my interview taken on December 2, 2015 and further reflection, I noted a matter that requires correction.

On page 19, at lines 5 through 12, I testified in substance that Horizon had ceased serving the Puerto Rico market in 2013, or roughly 2 years ago. This was incorrect. Horizon stopped serving the Puerto Rico market in 2014.

Please note this correction in your investigative record.

Mike Nicholson

A black rectangular redaction box covering the signature of Mike Nicholson, with a horizontal line extending to the right from the bottom right corner of the box.